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## UNITED STATES OF AMERICA POSTAL REGULATORY COMMISSION WASHINGTON, D.C. 20268-0001

Market-Dominant Price Change

Docket No. R2020-1

## CHAIRMAN'S INFORMATION REQUEST NO. 8

(Issued October 24, 2019)

To clarify the basis of information provided by the Postal Service in its Market Dominant Price Change, filed October 9, 2019,<sup>1</sup> the Postal Service is requested to provide written responses to the following questions. Answers to the questions should be provided as soon as possible, but no later than October 28, 2019.

## First-Class Mail and USPS Marketing Mail Calendar Year (CY) 2020 Promotions

- Please refer to Library Reference USPS-LR-R2020-1/1, October 9, 2019, Excel file "CAPCAL-FCM-R2020-1.xlsx," tab "Earned Value Promo" and Library Reference USPS-LR-R2020-1/2, October 9, 2019, Excel file "EarnedValue.xlsx."
  - a. Please provide revised workpapers that link the data in these Excel files to source *PostalOne!* data and which demonstrate the calculation of the rate impact of the Earned Value Reply Mail promotion by multiplying the current and planned rates by the "same set of rate cell volumes" consistent with 39 C.F.R. § 3010.23(b)(1). Please provide necessary supporting workpapers and an explanation of how the volumes are adjusted to reflect the planned changes in the promotion by mapping them to each of the current and planned rates.

<sup>&</sup>lt;sup>1</sup> United States Postal Service Notice of Market-Dominant Price Change, October 9, 2019 (Notice).

- b. Please confirm that the calculations in Library Reference USPS-LR-R2020-1/2 rely on data from the CY 2019 Earned Value Reply Mail promotion. If confirmed, please explain the use of "CY17" in tab "Earned Value CY2020," cells A29 and A53. If not confirmed, please explain why it was not possible to use CY 2019 Earned Value Reply Mail promotion data.
- c. Please explain how the CY 2019 Earned Value Reply Mail promotion data, which had a 95-percent threshold for a previous participant, were adjusted to reflect the proposed 93-percent and 100-percent thresholds.
- 2. Please refer to Library Reference USPS-LR-R2020-1/1, October 9, 2019, Excel file "CAPCAL-FCM-R2020-1," tab "Informed Delivery."
  - a. Please confirm that the data used to estimate the value of the Informed Delivery promotion (which took place from September 1, 2019 through November 30, 2019) is based on data relating to mailpieces qualifying for this promotion from September 1, 2019 through September 11, 2019 only. If not confirmed, please explain how the workpapers account for data relating to mailpieces qualifying for this promotion after September 11, 2019.
  - b. If part a of this question is confirmed, please also confirm that data relating to mailpieces qualifying for this promotion for a longer time period than for the first 11 days of the promotional period are available to the Postal Service.
  - c. If part b of this question is confirmed, please provide available updated data. If the Postal Service views the methodology using data from mailpieces for the first 11 days of the promotional period as more accurate in portraying the value of the Informed Delivery promotion than using data

relating to mailpieces for a longer period of this promotion, please provide an explanation supporting that view.

d. If part b of this question is not confirmed, please explain the reason that such data are not available to the Postal Service.

By the Chairman.

Robert G. Taub